City of Lafayette
Public Meeting Action Agenda
City Council Special Meeting
Redevelopment Agency Special Meeting

MINUTES

Lafayette Community Center -- Sequoia Room **May 27, 2008**
500 St. Mary's Road, Lafayette, California **5:00 p.m.**

1. CALL TO ORDER

Mayor Anderson called the meeting to order at 5:08 p.m.

2. ROLL CALL

Present: City Council: Mayor Anderson, Vice Mayor Tatzin, Councilmembers Andersson, Anduri and Federighi

Absent: None

Staff: Steven Falk, City Manager; Tracy Robinson, Administrative Services Director; Ann Merideth, Community Development Director; Niroop Srivatsa, Planning & Building Services Manager; Jennifer Russell, Parks, Trails & Recreation Director; John Warshaw, Recreation Supervisor; Mala Subramanian, City Attorney; Tony Coe; Engineering Services Manager; Ron Lefler, Public Works Services Manager; Lt Mike Hubbard, Police Services Manager; Gonzalo, Silva, Financial Services Manager; Robin Milewski, Accountant; Cindy Lincoln, Accounting Clerk; Joanne Robbins, City Clerk

3. ADOPTION OF AGENDA

ACTION: It was M/S/C (Federighi/Andersson) to adopt the agenda. Vote: 5-0-0. (Ayes: Anderson, Tatzin, Anduri, Andersson, Federighi; Noes: None; Absent: None).

4. PUBLIC COMMENTS – None

5. STAFF REPORT

A. Budget Workshop – Proposed Budget FY2008/2009

Recommendation: Continue to June 9, 2008 for public hearing and adoption.

City Manager Falk recognized staff for their work on the Budget, gave a background of the City of Lafayette's regulating bodies and their roles, discussed allocation of resources and programs, the ordinance which allows the City Manager and staff to prepare the budget, and the Council's goals which shape the budget. He said that the Council can shift priorities, add or cut expenditures, and do whatever is necessary for the Budget to be a reflection of their vision for the new fiscal year.

City Manager Falk said this is a more difficult budget than in previous years due to the City having a slowing revenue stream combined with rising expenditures. The Council's reserve

policy is equal to 50% of the expected general plan expenditures for the upcoming fiscal year. Expenditures are about $12 million, thereby targeting a reserve balance of $6 million. Last year, that target was exceeded by $1.8 million. This year, the City will exceed that target by only $131,000 due to two large components; 1) a policy decision to encumber $1 million of last year's surplus and dedicate it to the pavement management program; and 2) a net decrease in revenues of $265,000 due to lower investment earnings, lower sales taxes, and a decrease in property tax rates.

The City is experiencing a net cost increase in the General Fund of $430,000 due to increasing police services expenditures. This takes into account a projected increase in annual costs for sheriff services of 10%. Also, staff has encumbered an additional $200,000 next fiscal year for a new Bay Area-wide radio system. Falk said the most notable expenditures are in the Redevelopment Agency, specifically, for the new Library and Learning Center.

Councilmember Federighi asked about the decrease in workers' compensation cost. Administrative Services Director Robinson said the City secures its workers' compensation insurance through a JPA. Through recent legislation and work by the JPA to reduce claims, the workers compensation fund has generated a surplus which is distributed to members as rebates. The rebate for this year is expected to be $38,000 for Lafayette .

Councilmember Federighi referred to police services and questioned why budgeted overtime was less than what it had been in the last two fiscal years. Police Chief Hubbard said in the last 12 months, 6 officers were transferred out of the City due to a number of reasons, thereby necessitating that the remaining officers backfill those positions. Hubbard also changed scheduling such that 40 hours a month of overtime will be eliminated by having the canine officer working a beat one day a week. He confirmed with Councilmember Federighi that the department was currently fully staffed.

Councilmember Federighi questioned the rental space allocation increase for police services, and Ms. Robinson said in doing the budget, she realized that she found that she was allocating too much money to the parking program and for vehicle abatement, and that the increase reflected the correction of that error. Therefore, there were corresponding decreases in both of those programs for rental expenses.

Vice Mayor Tatzin said as a member of the Finance Committee, he had already discussed a number of questions with Ms. Robinson.

Councilmember Anduri said he has received answers to many of his questions already, but there were two items not funded in the budget, which were the additional 20 hours for senior services staff support and the two van program option.

City Manager Falk said the City has limited resources upon which it relies to deliver many programs. The budget year is very tight, and despite the programs' worth, merit and benefit to the community, this is not the year to add new programs. Therefore, the Council will see there are no new programs that would add on-going costs in the form of new staff or expenditures.

Public Comments:

BARBARA SCHUH, Lafayette Senior Service Commission, said they are not asking for a new program, was shocked when she saw the budget, believed 30 hours a week was not enough for the Senior Program and discussed how she and others have provided personal funds in order to provide for classes twice monthly. She said the 9 Commissioners are very concerned about this,

no one ever told them they needed to raise funds for the City and often they are compared to the Youth Commission. She noted that between 60-80 seniors participate in a variety of classes and thought $12,000 was not a lot to ask considering what it will do for the community.

Vice Mayor Tatzin said some services the program provides could be charged for, and he encouraged the Commission to think about how much revenue might be associated with the programs that are proposed in the budget.

MARY FUCHS, Senior Services Commissioner, spoke about the diverse programs which provided at the Center, such as Memory Workshop, Giving Up Car Keys, Gold Rush and the California Railroad, Chamber Concert, Sensuality in Seniors after Age 50, Identity Theft, Computer Maintenance, Reverse Mortgages, Primary Caucuses and Super Delegates, Smart Ways to Enhance Looks and Well Being, Happiness Workshops, Perfecting Posture, Art of Balance, Muscle Shapers, Driver Safety Classes, Family and Friends CPR, and monthly Tea Dances. She said there are also legal and counseling services, blood pressure screening, cancer support, caregiver support and by not providing adequate staffing, the programs will not be able to continue. She noted that the City of Danville's budget for senior services is $346,000 and asked the Council to consider increasing hours in order to staff needed programs.

Councilmember Andersson confirmed there are currently two part-time workers with 15 hours each, and proposed is a 30-hour position and a 19-hour position. The 30-hour position would have benefits and the 19-hour position would not, and one of the two people currently sharing the position would supervise the other, if the proposal were granted.

Mayor Anderson questioned why the programs could not continue if they have operated in the past with 30 hours of funding. Ms. Fuchs said staff has indicated they personally work 20-25 hours each and not the 15 hours for which they are paid; she said they volunteer a lot of their time due to their dedication. Mayor Anderson voiced concern that the request would not only be an increase in hours, but also enhancing one position with benefits.

GEORGE BURTT said there is a line item to cover $500,000 towards implementation of the Downtown Strategic Plan and it looks like the budget will be approved for this prior to having the staff report.

City Manager Falk said Mr. Burtt's reference is a continuation of the already approved expenditures for the Downtown Strategic Plan. Mr. Burtt said the scope of work looks like it has changed which has implications for the General Plan and CEQA analysis, and he did not believe it was approved last year. Mr. Falk said staff brought the contract with WRT to the Council for $500,000. The environmental part was not funded because the City was going to apply for a regional grant through the ABAG Focus Program as it is designated as a priority development area. Staff's intent was to bring a status report to the Council in the future with this information. He said this is not a new allocation of funds nor does it represent any increase over what was previously approved. He also noted that the Downtown Strategic Plan process is also funded by the Redevelopment Agency and has no impact on the General Fund or its expenditures.

Councilmember Anduri said he believed $400,000 was authorized for the consultants assisting with the Downtown Strategic Plan, and Ms. Meredith said this was allocated to this fiscal year. The agreement approved was for a total of $500,000 which would roll into the upcoming fiscal year, and she anticipated about $300,000 would be spent. She said some of the funds would finish up the Strategy and some would be used for CEQA and implementation steps. Staff is unsure of specifically what those would be. So, for next year the consultant cost is $100,000

that shifts forward, plus $100,000 which is already anticipated. Councilmember Andersson confirmed with Ms. Merideth that the CEQA analysis was not included in the past but it had been anticipated.

STEVE SWANTNER, Senior Services Commission, said last month he attended a seminar at his church where the Mayor gave an inspired speech and two major concerns were identified: 1) whether housing was going to be affordable and ever built; and 2) whether services at the Senior Center will continue. He said many seniors have many concerns, they need attention and feedback, and hoped programs will continue to be in place.

SANDRA SMITH, Senior Services Commission, said when she first became a Commissioner, Lafayette was a small community but its Commissions were way ahead of other cities. In 18 years much has changed, there are many more seniors and interests and needs are different. Recently, the Commission looked at programs of other communities and found they would have been far behind the times had it not been for the creativity and work of Mei Sun Li and Aletha Anderson. They have focused on providing education so that seniors can have meaningful lives, a place where they can go to keep their minds active, and safely age in place. She said both employees attend Commission and Senior Liaison meetings and played a vital role in the recent, successful Seniors Symposium. They have worked many hours without pay. She said that she believed the hours should be approved and said the cost is not great.

Vice Mayor Tatzin questioned the status of the senior needs assessment. Councilmember Anduri said there is a meeting scheduled for June 6th and someone from U.C. Berkeley will provide some guidance on how to proceed, with an anticipated completion date by late fall.

ROBERT NOLAN, M.D., Senior Services Commission, said he has been impressed with the outstanding work of the staff and the variety of high quality programs benefiting the community. There is no revenue from programs, but there are substantial in-kind contributions involved by speakers, teachers and participants. He said the recommendation for $11,843, given the quality of the programs being offered, was a modest and conservative request, said the proposal was recommended unanimously by the Commission and the 5 members are present tonight speaking in support of it. The City is getting an unfair bargain with the present services being rendered by staff because they are volunteering many hours, are not provided with benefits, and the increase in the budget proposed by the City Manager's Office does not increase hours but provides for benefiting the 30-hour employee. He reinforced the remarks of Mr. Smith regarding the high quality work of Mei Sun Li and thinks every effort must be made to retain her presence.

GUY ATWOOD referred to page 4 of the staff report, said police services would increase by $543,000, and he questioned if it should instead be $443,000. Ms. Robinson said $330,000 goes to the contract cost. The City anticipates it will not get $100,000 from the State for the COPS grant and there was also $70,000 increase in the rental expense.

Mr. Atwood questioned what the $500,000 expense in the RDA budget was made up of for this year. Ms. Merideth said the contract would be finished up with WRT which will be approximately $100,000. $200,000 is allocated for CEQA, some or all which the City may receive a grant and recover and another $200,000 is allocated for implementation which is unsure and dependent upon the Strategy. Mr. Atwood also asked for discussion about the new projects delineated on page iii. He said he supports providing $12,000 for seniors, questioned the change in the budget from last year to this year given the surplus from last year and felt the problem might be bigger than stated.

Mr. Falk suggested first discussing new projects and then discussing how to get there. On page 3 of the City Manager's memo there are 6 new projects as one-time expenditures. The first is a Police Efficiency Study**.** Police costs are expected to increase by 10% this year, the cost in the upcoming fiscal year for a Sheriff Deputy will be about $180,000 which compares to $140,000 for a Police Deputy in a neighboring agency. He approached the Council at a meeting a few months ago and noted the trend that the contract was becoming more expensive than other local agencies and it was beginning to have impacts on staff's ability to deliver other projects. He asked the Council at that time for permission to put $50,000 into the budget in order to conduct a study to determine whether there are more cost efficient ways of providing police services. He has been working with other City Managers in the area and Orinda has chosen to put $30,000 in their budget for the same study. Falk said he imagined other contract cities will follow and pool their resources.

He said the Housing Element update is something required by State law every 7 years. Regarding the Planning Impact Fee Study, State law is very specific and states that when charging planning and use fees, there must be a nexus to justify them and this is what the study does. These increased fees will eventually benefit the General Fund. The Community Events Sign Board is a signboard for the Community Center. When the Council adopted its new sign ordinance, it prohibited certain signs on public property and the City must develop a sign that will mimic the one downtown and incorporate some form of rotating information so that it can be in compliance with its own ordinance. The Community Center Boiler Upgrade at $25,000 is needed because the boiler is 50 years old. Pre-election information efforts at $25,000 will pay for voter information in advance of a possible election and he discussed the recently approved voter attitude survey for a general tax in November.

Mr. Falk said Ms. Robinson has prepared a walk-through of how the City gets from the $1.8 million surplus over target to the $131,000 number. Ms. Robinson said $1 million of the surplus has been allocated to roads in addition to the $1 million annually contributed by the General Fund. Staff is anticipating decreases in revenue of $365,000 coupled with increases of police costs and one-time expenses. She briefly reviewed the Budget Reconciliation outline with the Council which leaves $131,007 over the Reserve Target.

Councilmember Anduri questioned if the items were new increased amounts, as there was RDA debt every year. Ms. Robinson said there is RDA debt every year because there is interest that accrues. There is general RDA debt since the beginning of the formation of the RDA, there was some debt the Agency took from the General Fund to complete the Veterans Memorial Building, and there is some debt owed based on the Library. Each is separated into individual categories. All of that debt continues to accrue interest which is capitalized. Last year, the Council made a policy decision to start actually paying the General Fund back on the general portion of the general RDA debt which is $137,000 a year. However, because the interest accrues every year, it increases, and this year it was $244,000 above what was paid last year.

Vice Mayor Tatzin said when the RDA started, the interest rate was set at around 8%. At the last Council meeting, the Council approved a $9 million loan from the Community Foundation with an extended payoff of 6.25%. The debt is now senior to the Library loan and is just as well protected. If the interest rate were lowered from 8% to something else, less money would accrue, but also less money would eventually be paid back to the General Fund, therefore, carrying this debt gives the City a lot more flexibility than if it were kept in Redevelopment. Therefore, big numbers are seen on the accrued debt, but the benefit at the end is that the City gets more flexible dollars to spend than it would have otherwise.

Councilmember Anduri said he cannot believe the amount accrued for next year is that much higher than the amount accrued last year because it is simply interest on interest. Ms. Robinson provided a brief explanation and agreed to discuss this with Councilmember Anduri separately.

NANCY WOODFIELD questioned whether the three tax options would be placed on the November ballot, thinks more information should be identified on the agenda, felt more residents would have attended the meeting and questioned what the survey would include.

Mr. Falk said it is typical for cities, when they are considering placing a tax before voters for consideration, to conduct a public opinion poll in advance in order to determine first whether voters are inclined to support any kind of tax, and if they are, what their willingness to pay might be. He said that over the last 15 years the City has conducted about 6 similar surveys and it is common. The Council discussed the matter at two publicly noticed meetings in April, agreed to conducting a telephone survey of 600 voters, and directed the City Manager to engage a consultant to conduct the poll. is the poll focused only on sales tax and on utility user's taxes because those are two of the most common taxes that can be approved with a 50% plus 1 majority.

At the second meeting in April, the Council indicated that if there was a positive voter response, they would be inclined to place that measure on the November ballot for consideration by the voters. He said it is typical to send literature to homeowners describing what the Council placed on the ballot and what the money would be used for if approved. He further described how the City works with utility companies if the utility user's tax passed.

MARY BRUNS, Senior Van Program, supported the two van option, said their budget is based on continuous fundraising efforts, believes it would be a big mistake to turn down the van when and if offered, and suggested holding off on hiring additional help until such time that funding is in place. She believed it was easier to secure volunteer drivers because drivers are now allowed to have Class B licenses, and she asked for the Council's support.

Vice Mayor Tatzin questioned what obligation it has to fund the drivers. Ms. Bruns said in the past, they had obligations to produce 50 ADA rides a month which they were able to do. Since their contract for the first van is over in June, there will be no overlapping contract. So, a new van could be used to fulfill what they are already doing without the obligation of a certain number of rides per month. She said they have enough funds to cover one year of operating expenses and as people become more aware, movement towards funding will increase and not decrease.

Councilmember Andersson said it looks like the difference between the two van options was about 20%. Councilmember Anduri believed there was not a proportional increase in riders over half of the year, though there are several elements in the budget that have been done very conservatively, and one of those is the number of rides and another is the maintenance. Ms. Bruns said the ridership should grow because they can then also provide medical rides.

GORDON MATTONEN said he liked and learned a lot from the budget buckets video, said regular personnel is up 7% in the upcoming year and he questioned whether this constituted a raise or added personnel. Regarding police budgeting, he asked if the $937,000 was or was not included when calculating the relative proportion of police funding vis a vis other cities. He referred to contractual services and questioned how staff controls those services competitively, he specifically cited van maintenance at $19,000 which to him seemed very high. He questioned senior rides and confirmed they were tracked, and said that Library Fund 37 was also listed as Fund 36 in the budget.

Mr. Falk said the Council has employed a strictly pay for performance system of salary increases for employees. Each year they receive two reviews; one in November and one in June. The evaluations are rated overall from 0-3. This rating is then multiplied by 2.5% which then determines increases for each employee for the upcoming year. He believes the City has done a good job of improving non-productive employees, said many receive ratings above average, and anticipates salaries would increase by 5% to 7%.

Regarding police funding, Ms. Robinson said there is a supplementary law enforcement services Fund 73 which is $393,000. When the City was receiving COPS funding, those monies were granted specifically to pay for two officers and a separate fund was needed in order to qualify for the grant. However, when police funding per capita is discussed, staff adds all police expenditures together get a total picture of what is spent in police services. She confirmed Fund 36 was a mistake and she would change it to Fund 37 for Library services.

Regarding van maintenance, there is $17,500 for van maintenance for the senior program. Regarding contract services, Mr. Falk said the City has a small staff of 38 full-time benefited employees and they do their best to contract for as many services as possible. He discussed the variety of contracts which Department Managers manage and each year contracts are reviewed for price and standard of quality.

LINDA WYRTH said her parents and their friends bought their first homes in the 1950's and have owned businesses, said it is unfortunate and embarrassing not to have a downtown Senior Center which is manned during business hours during the week, as the Center serves those people who built the community. She encouraged the Council to approve the Commission's request in order to maintain the quality of the programs that staff and the Commission started, and said they are deserved and beneficial.

ANN BURNS believed the $25,000 budgeted for a new sign at the Community Center was a lot of money and did not seem needed.

MARY ANN HOISINGTON believes there have been several opportunities to vote for roads and they were turned down by the community. She said she is tired of taking money from everybody else, like the seniors, to put into roads when we have a chance to pay for roads. Those who worked towards the incorporation of the City owe an apology to the Council because it was a mistake to incorporate as a no tax city. She said they tried to do a tax city first, which did not pass and she thanked the Council and staff for the work they do to run the City and produce a good budget.

MR. BURTT echoed comments and thanked Mr. Coe for his work with roads, said the Council tried hard to get more funding for roads through the election process, and he appreciates it.

MAEVE PESSIS thanked staff for their work.

JIM BURNS supported the seniors, said the money they are asking for is less than 0.1% of the City budget, (they) are getting a morsel of what other communities are getting, said the conditions of roads are not consistent throughout the City and should be fixed ahead of other miscellaneous expenditures.

MARCHAL DUNCAN said the 2007 census report indicates those aged 55 and over was 29.0% of the population, 2011 it will go up 32.5%, in 2006 for age 65 plus there were 14.4% of the population. In 2011, there will be 16.2% of the population age 65 and over. He said if the

Council makes the seniors happy, there will be enough votes to pass both measures for roads and police.

Mayor Anderson closed the public hearing and thanked everyone for their comments.

Councilmember Anduri said he will not be present for June 9th, agreed a lot of time was spent on senior services, thinks it is very important, agreed there is a revitalized Senior Services Commission and a senior community that is very interested and has needs. At some point, he believed the Council should have a larger discussion about what services generally the City will provide if it will have the kind of community we eventually want to have. He believes the City will have to start to move and provide services for seniors; otherwise, it will lose a substantial portion of the community. He sees $11,843 as essential to put into the budget.

Regarding the van, Councilmember Anduri said it is not a specific amount in the budget; the question is whether the Council will support the two van option as opposed to staying with the single van. There are concerns because there are uncertainties about ridership, where revenue is going to come from, and he would like to see the Council support the two van option with the understanding that we will not hire the second half-time driver until there is funding available to support it. He said senior transportation is a big part of services the City needs to provide and just having one van which is tied up with meals does not allow for medical and other appointments. He also believes there is irony about having signs in front that brings people into programs and then not funding the person who will help with those programs.

Regarding roads, he believes this is a strong budget for the roads. He said there was an understanding as to how much would go into roads and believes the $1,900,000 is a strong number to apply, as well as the entire $753,000 from past years. But, he felt everyone needs to be realistic. The money there for Option A will not be there going into 2010; it is highly unlikely that the Palos Colorados money will be there as well as the second $1 million from the RDA funds. He said Mr. Coe's memo is one of the best pieces of work he had seen which states that if the City does have those funds, at the end of 2014, it will have $10 million of unfunded road obligations still left, which is more manageable. However, realistically that number is about $12.5 million.

Councilmember Andersson said he supports senior services because it is a small amount, hard to quantify but very beneficial, also recognized that personnel have been running senior services, have been providing hours for free and it is evident those hours are needed. Regarding the van, he did not believe the obligations were something the City was not already doing and he supported the need for added ridership. Regarding roads, he agreed with Councilmember Anduri's statements.

Councilmember Federighi said she would support the modest, additional amount for senior services, as well. Since she has been on the Council since 1999, there has been a tremendous change in what the Commission and staff are now providing. Regarding the van, she needs to discuss this further, as she would hate to be in a position where we are increasing our obligations and not see ridership or funding. Regarding roads, she thinks the amount of effort the City is dedicating to roads is an important investment for the City. She said the City has been able to reduce its backlog and as roads are repaired, it will cost less in the future to maintain them.

Vice Mayor Tatzin said he would support the proposed re-allocation of funds from the General Fund surplus to the Roads budget and acknowledged that this will be the smallest amount the City has had in a number of years over its reserve target. He said water rationing now applies to

the entire City, which leads him to the Core Area Assessment District, the General Fund money that goes into that and the amount the City spends on medians. He thinks the Council will need to review the report when it comes out and determine what policy changes need to be made. And, although he will support it today, the Council normally holds a mid-year budget review, and if a measure is not put on the ballot or if voters choose not to approve it, the Council needs to seriously think about water use for that area.

Regarding senior services, $12,000 compared to some other amounts is trivial. He applauded the Senior Services Commission for their progress with programs and transportation. However, his concern is that the City is locking in some staffing changes when the big transformation has not begun, which is risky from an organizational design respect. He said the senior needs assessment is going to be available in the fall which may suggest a much bigger scope of services and this may be the correct thing to do. At that point, having designed an organization staff where your leader is working 19 hours a week may no longer make sense. He was not nervous about the money, but nervous about the commitment to organization structure which he believed is premature, given changes forthcoming.

He would, therefore, not only put some amount of money in the budget but would suggest thinking about whether it is time to formalize this organization structure as compared to hiring someone on a temporary basis to be another support person. He also would encourage the Commission to describe activities, their metrics, and what effect the activities have on the lives of the people it serves. He feels there is an opportunity for the Commission to do this and encouraged it be done. He said a lot of what the Center does is not a revenue generator, but in some parts it can be. He therefore asked the Commission and staff to return with a business plan that talks about goals, metrics for those programs, their impact, where there are revenue opportunities, grant application opportunities, and others. He believes the Commission should take bigger steps and not lock itself into the small steps.

Regarding the van, he felt understanding the obligations of accepting a new van is necessary, he would like to see a revised budget in June from the Commission of the cost of accepting a van and then getting some use out of it, which was not clear.

Mayor Anderson said what he is hearing there is an interest in more hours available and similarly, he is concerned about the organization model being put forward. To him, this would be done in a different way. The person with the most hours would be supervising the person with the least hours. He suggested having staff consider the possibility of getting more hours, but not necessarily doing it the way it has been proposed; to have it done in a way so that it is properly managed. Regarding the van, if there are no obligations for taking the van it may be a great opportunity. However, he said there must be some costs even if the van went nowhere everyday. Therefore, he asked for a revised budget that reflects how it will be funded.

Mayor Anderson said lastly, he thinks Council and staff have done a fantastic job with the roads, believes the liability will be reduced in the long term and because he has heard no complaints, the City must be doing the right thing.

Councilmember Anduri referred to page 5, said there is good news with the Reserve number for next year and pointed out that the amount of cash reserve budgeted for next year is 10% above the amount budgeted for this year. He also stated that he does support the Community Center sign and wanted to recognize that one way to describe every new item of expense in the budget is that each is an investment toward getting more dollars or finding ways to save dollars.

City Manager Falk said he heard a general concurrence of the Council to support and enhance the Senior Program and he also heard concern about the organization structure, particularly in advance of completion of the Senior Needs Assessment. He therefore recommended to the Council that it direct staff to amend the budget to add the 19-hour position, but to fill the 30-hour position with either a temporary or contract employee until such time that the assessment is completed.

Councilmember Anduri questioned and confirmed that a 30-hour position could be done for less than a year on a contract basis without benefits. Councilmembers Federighi and Andersson supported this.

Vice Mayor Tatzin said if the assessment concludes that a full-time manager/director is needed, to what extent might the City lock itself into by creating the 19-hour position. Mr. Falk said it would be a reorganization and the City has protocols it follows. If the position were re-created with different hours, duties or benefit structure, the City would have a personnel rule which requires that the opening would be posted internally for 7 days, and then make it open externally if no one applies. He said this could return on June 9th by resolution formally adopting the Budget, with that amendment.

Regarding the Senior Transportation Program, Mr. Falk confirmed with the Council the two van option was acceptable if there is no obligation, and for costs to be identified and presented. He said he will ask the program manager to prepare information in advance of the June 9th meeting on the two van option for the Council to evaluate.

6. ADJOURNMENT

ACTION: It was M/S/C (Tatzin/Federighi) to adjourn the meeting at 7:35 p.m. to the Regular City Council meeting. Vote: 5-0-0 (Ayes: Anderson, Tatzin, Anduri, Andersson, Federighi; Noes: None; Absent: None).

APPROVED:

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Mike Anderson, Mayor

ATTEST:

_____
Joanne Robbins, City Clerk

City of Lafayette
Public Meeting Agenda
City Council Regular Meeting

MINUTES

Lafayette Community Center – Manzanita Room **May 27, 2008**
500 St. Mary's Road, Lafayette, California **7:00 p.m.**

1. CALL TO ORDER

Mayor Anderson called the meeting to order at 7:45 p.m.

2. ROLL CALL

Present: Mayor Anderson, Vice Mayor Tatzin, Councilmembers Andersson, Anduri and Federighi

Absent: None

Staff: Steven Falk, City Manager; Tracy Robinson, Administrative Services Director; Ann Merideth, Community Development Director; Niroop Srivatsa, Planning & Building Services Manager; Jennifer Russell, Parks, Trails & Recreation Director; Mala Subramanian, City Attorney; Joanne Robbins, City Clerk

3. PLEDGE OF ALLEGIANCE – led by Mayor Anderson.

4. ADOPTION OF AGENDA

ACTION: It was M/S/C (Tatzin/Andersson) to adopt the agenda. Vote: 5-0-0 (Ayes: Anderson, Tatzin, Anduri, Andersson, Federighi; Noes: None; Absent: None).

5. REPORT FROM CLOSED SESSION - None

6. PUBLIC COMMENTS

JIM FITZSIMMONS said he does not think the Affordable Housing Task Force has adequately finished its job and he would be happy to continue to participate on it.

GORDON MATTONEN said he thinks roads and drains should be higher in the City's list of priorities, felt it should be funded correctly and seniors' requests should be placed lower on the list of priorities than roads and drains.

7. PRESENTATIONS

A. Update from Jim Fitzsimmons, Contra Costa Mosquito & Vector Control District Trustee

Recommendation: Received and filed.

Jim Fitzsimmons, Contra Costa Mosquito & Vector Control District Trustee, gave a presentation on the West Nile Virus which has been the District's primary focus, said there has been no human activity in California, reported there has been activity with animals and horses are vaccinated, said dead birds are the way the District is able to locate hot spots, discussed water and mosquito transmission sources and reported on mosquito and bird and squirrels' positive testing.

B. Jennifer Russell, Parks, Trails & Recreation Director
Receive California Parks & Recreation Society Award
Recommendation: Received and filed.

Parks, Trails and Recreation Director Jennifer Russell said staff applied, through the California Parks and Recreation Society, for an award for their roller rink. They sent a representative from their Board, Chris Beth, who presented Mayor Anderson with an award.

Chris Beth, Superintendent of Parks and Recreation of Redwood City and current President of CPS, said he was very impressed with the history of the rink and the positive effect it now has on Lafayette's quality of life. He describe the CPS organization, criteria for winning the award, said over 150 agencies applied for awards for various campaigns and programs, said Lafayette's was for their excellent work in Park Planning and presented the Award to Mayor Anderson.

8. OLD BUSINESS

Convene Redevelopment Agency

ACTION: It was M/S/C (Tatzin/Federighi) to convene the Redevelopment Agency. Vote: 5-0-0 (Ayes: Anderson, Tatzin, Anduri, Andersson, Federighi; Noes: None; Absent: None).

9. STAFF REPORTS

A. Request by Cortese Properties LLC for payment of $600,000 of redevelopment agency funds upon issuance of the certificate of occupancy for the Lafayette Mercantile project, consistent with the terms of the Owner Participation Agreement (OPA).
Recommendation: Approve request and authorize the initial payment of $600,000 and future yearly payments per the OPA from the Agency's funds to Cortese Properties LLC.

Planning and Building Services Manager Niroop Srivatsa said this is a request that stems from an Owner Participation Agreement which the Agency entered into with Cortese Properties LLC. The Agency agreed to give the developer $1.2 million, of which $600,000 was to be paid within 30 days of issuance of the Certificate of Occupancy. Staff held up payment because there were a few outstanding items to be completed. All items have been completed; the streetlights are working, the signal is working, both engineering and planning staff have conducted their final walk-through, and the project is completed. Therefore, staff recommends the Agency pay the final amount.

Agencymember Anduri said the project is great, questioned if any measurement has been done as to how much parking use there has been. Ms. Srivatsa said staff has not done this and was waiting until the last retail tenant occupied their space prior to installing signage because they need to educate the public that they can use the parking, and hopefully the last tenant will occupy the space soon.

Vice Chair Tatzin questioned how the payment and subsequent payment reflected in the Redevelopment Agency budget, and Ms. Robinson said the current payment is not reflected in the budget. Going forward, she said a portion of the increment generated will be included in the model, but this is not a large amount. He confirmed the fund balance would be reduced by $600,000, which can be reflected as a change the Agency Board can approve.

Vice Chair Tatzin suggested a statement be made for the record as to why the City gave the property owner $600,000 and what the City got out of it.

Ms. Srivatsa said in 2003 Cortese Properties LLC purchased several properties in the Downtown Core. Two of the properties were former gas stations, there was a lot of remediation work involved which is expensive, and Cortese Properties LLC came to the Agency in 2003 and discussed a mixed use development. The Agency wanted a retail and housing project in the beginning, hired an economic consultant who told us that the subsidy per unit from the Agency was so high that it would not make sense to go ahead with that project. Cortese Properties then returned with a 55,000 square foot retail and office project, but still indicated through proformas that the project would not pencil out because of the substantial amount of money needed for remediation. Since the developer was eradicating blight in the downtown, consolidating smaller properties into one cohesive development, providing public parking, increasing sales tax and jobs, and installing a traffic signal at Mt. Diablo and Dewing which was an additional benefit to the City, this is why the Agency agreed to pay those funds. She confirmed there was no eminent domain used for the project.

Agencymember Anduri noted there is some indication that sales tax receipts will be substantial from the property, as well. Ms. Srivatsa said Yankee Pier and the candy store are doing extraordinarily well.

ACTION: It was M/S/C (Tatzin/Federighi) to approve the request and authorize the initial payment of $600,000 and future yearly payments per the OPA from the Agency's funds to Cortese Properties LLC. Vote: 5-0-0 (Ayes: Anderson, Tatzin, Anduri, Andersson, Federighi; Noes None; Absent: None).

Adjourn Redevelopment Agency

ACTION: It was M/S/C (Tatzin/Andersson) to adjourn the Redevelopment Agency. Vote: 5-0-0 (Ayes: Anderson, Tatzin, Anduri, Andersson, Federighi; Noes: None; Absent: None).

10. PUBLIC HEARINGS - None

11. CONSENT CALENDAR

Councilmember Andersson requested removal of Item A.

ACTION: It was M/S/C (Tatzin/Andersson) to approve Consent Calendar Items B, C, D, E and F. Vote: 5-0-0 (Ayes: Anderson, Tatzin, Anduri, Andersson, Federighi; Noes: None; Absent: None).

B. Agreement for Installation and Maintenance of Existing and New Landscaping between Scott and Kathy Franklin and the City of Lafayette, located at 561 Morecroft Road, APN 237-381-017
Recommendation: Accept agreement for installation and maintenance of existing and new landscaping and authorize City Clerk to record.

C. Adoption of CEQA Categorical Exemption Finding for Lafayette Circle Utility Undergrounding Project Lafayette City Council 2 May 27, 2008
Recommendation: Adopt a CEQA Categorical Exemption finding under Section 15302(d) for the Lafayette Circle Underground Utility District Project and authorize staff to record a Notice of Exemption.

D. Minor Subdivision 504-06, 3975 S. Peardale Drive Approval of Subdivision, authorization to Record Parcel Map
Recommendation: Approve the subdivision and the deferred improvement agreement and authorize the execution of both agreements and recordation of the parcel map.

E. 2008 Mandatory Review of Conflict-of-Interest Code
Recommendation: Direct staff to review the City's Conflict-of-Interest Code.

F. Letter from Tim Ward resigning from the Design Review Commission
Recommendation: Accept resignation with regret and schedule recognition.

Item Removed for Discussion:

A. May 12, 2008 City Council Minutes
Recommendation: Approve.

Councilmember Andersson referred to page 14, Item C, *"Councilmember Andersson said ABAG listened at their meeting, took no notes on what they were saying, agreed with the need for them to be aware of the cities' particular…"*

Page 15, last sentence of the paragraph above Item 14: *"He attended the reception afterwards and on behalf of the City, thanked Ms. Yelner for her Jake's contributions."* ~~*recognition of Ms. Russell.*~~

ACTION: It was M/S/C (Tatzin/Andersson) to approve the Minutes of May 12, 2008, as amended. Vote: 5-0-0 (Ayes: Anderson, Tatzin, Anduri, Andersson, Federighi; Noes: None; Absent: None).

12. COUNCIL/COMMISSION REPORTS

A. Councilmember report on activities and consideration of matters a councilmember wishes to initiate for placement on a future agenda.

Councilmember Tatzin said as liaison to the Library Foundation, there is a café space in the Library with an approved operator who would serve as the lessor. The Foundation has a small committee which has met to review what other libraries have done, and the Foundation has not reached a conclusion as to whether it would like to propose it be a leased space from the City and sublease to a tenant. If they did so, there would be some form of a public bid process so that interested parties could bid and all lease proceeds would go to the Foundation's efforts to support the Library. He wanted to let the Council know this process is in place and said he could take any feedback back to the Foundation.

Mayor Anderson said he is surprised there would be a café in a Library, given the mix of materials and beverages. Vice Mayor Tatzin said it is common and has been in the plans for a long time.

Councilmember Andersson reported attending J.P. VanOverveen's services, noting many people had attended and he was sent out with great joy and celebration.

Mayor Anderson reported on the 21st, a meeting was held of the Downtown Strategic Plan Advisory Committee without the consultant. They are working on getting the committee more comfortable with the process, there is concern about what has been presented and people's understanding of it thus far, some headway has been made, and with time it will get back on track and work well. They are awaiting return of some work from the consultant and will then meet at that time.

City Clerk Robbins asked the Council to review their calendars for the scheduling of a June 23rd Council workshop meeting from 6-9 p.m. The Council agreed to have a light agenda for that meeting, include Consent Calendar items and focus on inclusionary housing.

B. Mayor Anderson

1. **Letter dated May 1, 2008 from Anne Cain, Contra Costa County Librarian, requesting Council appointment to the Contra Costa County Library Commission for the term of July 1, 2008 through June 30, 2010 for a Commission member and alternate.**
   Recommendation: Reappoint Library Commissioner Mary Ann Hoisington and Robert Leffmann as the alternate.

Vice Mayor Tatzin recognized Ms. Hoisington's exemplary attendance record and interest by Mr. Leffmann to continue to be the alternate.

ACTION: It was M/S/C (Tatzin/Andersson) to reappoint Library Commissioner Mary Ann Hoisington and Robert Leffmann as the alternate. Vote: 5-0-0 (Ayes: Anderson, Tatzin, Anduri, Andersson, Federighi; Noes: None; Absent: None).

2. **Discussion for celebrating Lafayette's 40th birthday**
   Recommendation: Receive and file.

Mayor Anderson said he, the City Manager, City Clerk and Jay Lifson met to discuss the City's 40th birthday celebration. One idea is to join the birthday recognition with the Art & Wine Festival so that the Chamber would be willing to include in their advertising

materials that it is the City's 40th birthday. There was a discussion about having speeches and ice cream.

City Manager Falk said a stage would be located near Chow between 2-5 p.m. on Saturday, which is the peak time for crowds, the Mayor would lead the Birthday Song, some brief speeches would be given, and staff and Commissioners could hand out a treat of some sort. He said cake seemed too complicated. Loard's Ice Cream is a sponsor of the Art & Wine Festival and they were contacted, and they would be willing to provide 2,000 to 3,000 ice cream sandwiches at their cost and the City could purchase Lafayette birthday stickers. Volunteers with commemorative birthday tee shirts would hand them all out. The date of the joint event will be September 20-21, 2008.

Mayor Anderson confirmed that at the July 28th meeting, the Council will have a cake celebration for the City's actual birthday, with some entertainment, and invitation to all past Councilmembers and Mayors.

13. WRITTEN COMMUNICATIONS

14. CLOSED SESSION

The City Council adjourned to Closed Session.

A. Mala Subramanian, City Attorney
Conference with Legal Counsel – Initiation of Litigation (1 Case)
(Government Code section 54956.9(c)

B. Conference with Legal Counsel – Existing Litigation
Government Code section 54956.9(a)
Richard F. Holmes vs. City of Lafayette
Case No. MSC07-00251

The City Council reconvened the regular meeting and Mayor Anderson reported that no action was taken in Closed Session.

15. ADJOURNMENT

The Council adjourned at 8:45 p.m. to the next regularly scheduled meeting on Tuesday, June 9, 2008.

APPROVED:

_____
Mike Anderson, Mayor

ATTEST:

_____
Joanne Robbins, City Clerk